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# **Beyond Marketization?**

## **The Genesis of Quality Assessment Criteria in the British University Sector between 1985 and 1992**

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### **Abstract**

This brief article is a consideration on the theme of Quality Assessment (QA) criteria in the British university sector. It will attempt to shed light on a variety of conceptualisations on this instrument which is commonly considered a means to achieve a more efficient university sector which can prosper by working on the quality of education that is delivered to students whilst at the same time responding to reforms, which have pushed for a greater “value-for-money” of public resources used by universities. Whereas the majority of recent literature give an overview of the current state of the university system, this article instead sheds a focus of quality assessment criteria on an aspect which is treated as a marginal detail, namely, the historical origins of these criteria. By bringing some historical evidence to the forefront, this article will show how an attentive reflection on the birth of quality assessment criteria can show some problematic aspects of literatures which tend to explain and study QA as instruments that contain a logic of some sort. When literatures of different approaches prioritise a logic at work for explaining the functioning of QA criteria, this article argues, they tend to ignore that the conception of QA was vested with a variety of interests of different agents.

**Keywords:** new public management, neoliberal governance, quality assessment criteria, British university sector, managerialism.

### **Introduction**

The decline of the welfare state and the global fall in profit rates of the 1980s has revived discussions on the transformations in the governance of the public sector in the neoliberal era. Amongst the sectors most influenced by Margaret Thatcher’s attacks on the inefficiency of the public bodies<sup>1</sup> is the

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Higher Education (HE from now on) sector, which, beginning from the 1980s, experienced a variety of reforms aimed primarily at reducing the costs of university financing. Quality Assessment criteria (QA from now on), and the call to greater quality of the “education service” more generally quickly became the defining feature of the wave of transformations, to the point that many changes within the university are still today considered part of this quality movement. As a matter of fact, the speed with which QA and benchmarks became strictly connected to state-funding is a peculiar aspect of the British university sector and has left many academics almost unable to keep up with the variety of changes to their social context and the traditional way of carrying out their profession. The fund-cutting and increased supervision of the multiple aspects of university work, research and teaching, has as a consequence widely been accepted as an effective retreat of the state from the public sector and its attempt to open up the universities to the external dynamics of the market to the point that just about 20 years from the first use of performance indicators some scholars suggested that the university was already a quasi-market.<sup>2</sup> This is a label which the university sector has struggles to get rid of and has become indeed quite prominent in the literature’s accounts of the functioning of QA criteria. Indeed, QA criteria considered the instrument through which the establishment of competition between universities, and hence of a quasi-market, has been achieved.

This paper argues that when scholars readily classify the use of QA criteria as a case of neoliberal governance in this way, they tend to inadvertently read changes in the British university sector in a retrospective manner, as if the emergence of these instruments were inevitable given the development of neoliberalism and the increasing market pressures. By large, this argument is driven by historical material on the genesis of QA criteria in the British university sector, which brings to light how a marginal attention has been given to a study of institutional actors’ role in shaping these instruments, falling short in explaining how and why university agents were not mere recipients of a marketization process at work. In making this claim, this paper does not claim to describe the current form of QA criteria in the British university sector, but rather to show that the historical emergence of these criteria exposes some tensions with accounts that treat QA criteria as “external” pressures.

As will be argued, these criteria-which are considered part of top-down New Public Management (NPM) policies, emerged instead in a more complex

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New Public Management, neoliberal governance, the development of management theory and managerial instruments (lgiovinazzi@unior.it).

<sup>1</sup> Colin Hay, “Narrating crisis: the discursive construction of the winter of discontent”, *Sociology*, vol. 30, no. 2, 1996, pp. 253-277.

<sup>2</sup> Roger Brown, *Quality Assurance in higher education: The UK Experience since 1992*, 1<sup>st</sup> Edition, London, Psychology Press, 2004.

social context of political pressures from above and the reconfiguration of power relationships internal to the university sector, for example they were initially designed within the university sector rather than being imposed on it. This is not to say that reforms of the 1980s didn't generate incentive structures<sup>3</sup> which push universities to compete, nor to deny that state's performance based-funding has pushed universities to seek private sources of income, for example, or to work on their internal organization.<sup>4</sup> Rather, this brief article problematizes the understanding whereby these outcomes are seen as the direct effect of an expanding market logic on the public sector, in favour of an agency-centered approach which attempts to grasp the ways in which university agents' attempts to shape their social context in the 1980s created radically new practices that are conventionally underestimated.

This article is divided into four sections. The first section is a brief review of the literature which examines the relationship between QA criteria and audit policies. The second section presents how an agency-centred approach can extend beyond the borders within which these literatures move by conceptualising agency in dynamic terms rather than as a reaction to structural constraints. The third section presents a brief history of the genesis of QA criteria in the British university sector, arguing that university agents created social innovations which allowed them to rearticulate the initial scope of government policy. Finally, the article draws conclusions for politicising the process of the emergence of QA criteria in the British university sector.

## Managerial Practices and Neoliberalism

In what follows, I discuss two broad approaches to managerial practices. The first is associated with scholars from the field of political economy who are interested in the way that market pressures influence state policy. The second group of approaches, Foucauldian and Convention theory, consider that managerial practices have a peculiar normative character which strengthen top-down control over the public sector. As I will show, both approaches downplay the significance of QA criteria due to the way that they frame their analysis by referring to neoliberal structures.

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<sup>3</sup> Oliver E. Williamson, *Markets and hierarchies: analysis and antitrust implications*, New York, Free Press, 1975.

<sup>4</sup> Andrew McGettigan, *The great university gamble: Money, markets and the future of higher education*, London, Pluto Press, 2013.

### *A political economy of QA criteria*

Amongst the variety of political economy writings, some scholars have read QA criteria as the instruments which enforce the market rule. Concerned with analysing the relationship between “the economy” and “the state” within neoliberalism, these authors’ starting point for conceptualising QA criteria is an analysis of the ways in which the state has retreated following the crisis of the welfare state, QA criteria being amongst the consequences of the tensions that have emerged in the process of stabilizing neoliberal governance. Since the global fall in profit rates in the 1980s and pressures of competitiveness, authors suggest that state retreat is visible in a rationalisation of funds and the attempt to remodel inefficient public sectors through incentive structures.<sup>5</sup> NPM is therefore a new governance paradigm considered fruitful for responding to global pressures of competitiveness,<sup>6</sup> remoulding the public sector to market imperatives. Considering the active role of the state in integrating the public sector into the market, the literature discusses the state’s new character in this process. Some argue that the state has “de-statized”,<sup>7</sup> sharing its function with private bodies, and must “respond to its location within a global marketplace.”<sup>8</sup>

In this framework of analysis, states retreat yet continue to effectively govern the public sector through market-oriented policies. The literature in fact stresses how QA assimilate market dynamics as they focus on a standardized set of benchmarks to which institutions should abide and which brings them to compete against each other, at the same time, QA also enhance governance at a distance<sup>9</sup> given that the introduction and control of these benchmarks remain mostly in the hands of policy-makers. An interesting feature of this conceptualisation of the QA criteria is that they appear to be double-edged instruments: they are considered neutral in that they emerge from the market and set new standards on which institutions compete, at the same time, they are also instruments of governance in that they enable the state to retreat from the conventional public-sector provision, using new quality benchmarks to implement a set of performance-based formulas for allocating public funds.

<sup>5</sup> Brian Salter and Ted Tapper, “The external pressures on the internal governance of universities”, *Higher Education Quarterly*, vol. 5, no. 3, 2002, pp. 245-256; Christopher Hood and Ruth Dixon, *A government that worked better and cost less?: Evaluating three decades of reform and change in UK central Government*, Oxford, Oxford University Press, 2015.

<sup>6</sup> Bob Jessop, *The future of the capitalist state*, Cambridge, Polity Press, 2002.

<sup>7</sup> *Ibidem*.

<sup>8</sup> Sheila A. Slaughter and Gary Rhoades, *Academic capitalism and the new economy: Markets, state, and higher education*, Baltimore, Johns Hopkins University Press, 2004.

<sup>9</sup> Rosemary Deem, Sam Hillyard and Michael Reed, *Knowledge, Higher Education, and the New Managerialism: The Changing Management of UK Universities*, Oxford, Oxford University Press, 2007.

This competitive drive brought about by QA criteria has thus been studied through an analysis of the multiple characteristics of these instruments, such as the quantification of the use of resources through a set of calculations (cost-benefit analysis, target-setting, benchmarking, output controls etc.). Similarly, to price-signaling, authors have suggested that these technicalities of QA criteria assimilate the market and effectively shape the interaction between universities as well as ‘consumers’ (i.e. students) demand. In making this claim, authors have essentially brought forth the idea that QA criteria can be considered the most efficient for distributing resources within the university sector, and their emergence, as a consequence, though not explicitly, is narrated in such functionalist terms: they respond to the inefficiency brought about by the decline of the welfare state by bringing the market into public sectors. In fact, some accounts consider QA criteria as essentially isolated from broader complexities of the socio-political context in which they emerge, QA criteria “stand above, indeed outside wider social, moral and political struggles.”<sup>10</sup> The advent of QA in the public sector is largely explained as the result of an adaptation to strong markets.

The (excessive) focus on the technicalities of these instruments has led authors to consider the advent of QA criteria as serving the interest of “the market” more generally, depicting the power of the state (and even more of universities) as subsumed to that of the market. As a result, an increasing number of literatures have focused on the changing identity of the post-welfare state, creating a relationship whereby with time the state increasingly behaves as a market actor.<sup>11</sup> The tendency to frame the complex process of NPM as the case of an expanding logic which reshapes state functions has tended, in fact, to strengthen an analytical gap between politics and economics in many of these accounts, explaining state decisions for incentivising competition in the university sector to constraints rather than to a more complex study of possible interests for such a radical change in governance. In other words, the idea that the implementation of QA criteria in the university as well as other sectors is “efficient” for the purpose of a retreating state has effectively de-politicised a wide variety of transformations within public sectors, starting from the very birth of QA criteria. Consequently, the coupling of QA criteria to market-like instruments has opened up new typology of discussions which have diverted the attention of scholars *away* from the historical genesis of these instruments in the public sector towards an assessment of the extent to which the university (as other public sectors) has marketized.<sup>12</sup> These contributions offer insights that

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<sup>10</sup> *Ibidem*.

<sup>11</sup> Ewan Ferli, Louise Fitzgerald and Andrew Pettigrew. *The new public management in action*, Oxford, Oxford University Press, 1996.

<sup>12</sup> Andrew McGettigan, *The great university gamble: Money, markets and the future of higher education*, London, Pluto Press, 2013.

allow to break down many current transformations particularly in the funding regimes of the university sector, yet in presuming that marketization is an exhaustive category through which the university sector can be studied, these accounts focus more on how governance through QA criteria has eroded the power of state or university agents rather than possibly being enhanced. Indeed, the market is treated as an all-encapsulating force which allows to draw-out a general trend in both the emergence and effects of QA criteria in public sectors almost homogeneously.

### *New public management as an ideological project*

In what follows we will discuss how the Foucauldian and convention theory approaches to the study of managerial practices attempt to politicise the assumed *market logic* of the QA criteria. These scholars have problematized the understanding of NPM as just a case of the “marketization” logic at work by studying the mechanisms through which QA criteria reproduce asymmetrical power relationships, through a rejection of a dichotomic understanding of QA as “efficient” instruments for overcoming state/market tensions. According to these approaches, the competitive element of these instruments is not to be studied through the technical form of the criteria, but discursively. The ability of managerial criteria to transform the public sector lies in the normative and performative ways in which discourses on efficiency achieve competition, rather than in their resemblance to market or private logics at face value.

### *Foucauldian approaches*

Discussions on the NPM as a new ideological paradigm<sup>13</sup> have raised questions of legitimation into the debate on how QA are used for governing the public sector. At a closer look, in fact, managerial practices are said to have increasingly bureaucratized the public sector through auditing mechanisms which are radically transforming conventional institutional dynamics. Focused on analysing how audits bring “every specific moment of individual existence back to a process of valorization”<sup>14</sup> foucauldian approaches suggest that the peculiarity of auditing technologies lies in the ways in which these instruments

<sup>13</sup> David Watson, “Quality Assessment and ‘Self-regulation’: the English Experience, 1992–94”, *Higher Education Quarterly*, vol. 49, no. 4, 1995, pp. 326-340.

<sup>14</sup> See Stefano Lucarelli, in Andrea Fumagalli and Sandro Mezzadra, *Crisis in the global economy: financial markets, social struggles, and new political scenarios*, vol. 1, Cambridge, The MIT Press, 2010, p. 19.

consensually reproduce hegemonic power relationships between governors and subjects of governance.<sup>15</sup> Some foucauldian approaches argue that the discourse on quality criteria is used in a new frontier of capitalism - cognitive capitalism - which exploits immaterial as opposed to manual labour.<sup>16</sup> They suggest that as managerial practices which reformulate academic work as “output” and quantify a qualitative form of labour, quality assessment criteria succeed in exploiting academic labour consensually. Indeed, as Power<sup>17</sup> argues in *The audit society*, the constant and all-encompassing supervision which audit technologies impose at all levels of society (between as well as within sectors) and the countless number of criteria which measure the most banal procedures of work end up subjecting individuals to the pressures of supervision to the extent that these become actively concerned with compliance to audit criteria. This leads agents to inadvertently reproduce and legitimate practices of surveillance, basically self-disciplining their actions in line with efficiency discourses and practices. In turn, this ends up strengthening an overarching control at a distance, legitimating NPM ideology as a new governance paradigm where the political project of “making everything auditable”<sup>18</sup> is realized through a chain reaction mechanism:

“Quality auditing works both as the specific monitoring and reporting part of the system and also, importantly, as the verification of the system structure as a whole i.e. the integrity of the entire loop of self-observation which this procedural structure represents. This epitomises control of control.”<sup>19</sup>

Here, the ideological shift to NPM articulates power through audits, achieving consensual conformity to the new hegemonic paradigm and an effective transformation of the sectors that are audited.

### *Convention theory and the economic logic at work*

Along similar lines, Convention theory approaches<sup>20</sup> depict managerial policies of quality assessment as expressions of the endeavour to legitimate a

<sup>15</sup> Michael Power, *The audit society: Rituals of verification*, Oxford, Oxford University Press, 1997.

<sup>16</sup> Andrea Fumagalli and Sandro Mezzadra, *Crisis in the global ...* cit.

<sup>17</sup> Michael Power, *The audit society: ...* cit.

<sup>18</sup> *Ibidem*.

<sup>19</sup> Michael Power, “The audit society—Second thoughts”, *International Journal of Auditing*, vol. 4, no. 1, 2000, pp. 111-119.

<sup>20</sup> Luc Boltanski and Laurent Thévenot, “The sociology of critical capacity”, *European journal of social theory*, vol 2, no. 3, 1999, pp. 359-377; William Davies, *The limits of neoliberalism: Authority, sovereignty and the logic of competition*, London, Sage, 2016.



notion of competition by inserting an economic logic into non-economic realms.<sup>21</sup> This school of thought breaks down the political interests behind framing society in economic terms. Given that “neoliberalism is characterized by the production and legitimation of inequality”<sup>22</sup> an intrinsic activity of neoliberalism is to conceal these inequalities to the rest of society by constructing theories and methodologies which perpetuate an idea of equal, economic competition. From this reading, ideas thus shape how inequalities are perpetuated, and the strength of an economic logic lies in its apparent neutral and a-political spirit. Such theoretical considerations on the normative aspect of NPM discourse -entrenched in managerial policies that advocate quality assessment- are extremely useful for scholarly attempts to deconstruct how power relationships are reproduced through NPM policies. When stressing how setting economic benchmarks make political action appear un-authoritative because it is accountable to a set of quantitative analyses more so than to a set of moral values, authors debunk the notion of quality criteria as “fixing” instruments by capturing ways in which the competitive economy is socially constructed by the neoliberal, authoritative state. This also allows to uncover how power relationships, as a corollary, are considered the product of discursive practices. For example, Davies argues that the decline of the utility-maximization theory since the 1950s led to a shift in neoliberal discourse towards meritocracy. Here, the rhetorical capacities of the appeal to quantification for assessing governance have enabled to depoliticize the agency of states by framing political action as economic in essence (given that economic benchmarks become the final instruments for judging policy outcomes). It is in this sense that NPM policy, for these authors, is considered a *performative* policy. As Davies stresses,<sup>23</sup> a key example of this is the rhetoric on national competitiveness.

Authors’ emphasis on the normative aspect of state discourses suggests that NPM policies are largely the result of the state’s ability to set the boundaries within which agents can reproduce a new rationality, revealing how QA criteria serve to exert the neoliberal state’s power rather than being instruments that are required by the economy to fix the market-state tension as the political economy literature theorizes. Foucauldian and convention theory delve into the political intentions for establishing an audit society and overcome

<sup>21</sup> “Any critical analysis of neoliberalism as a historical period...must also draw on an interpretation and genealogy of neoliberal ways of thinking, measuring, evaluating, criticizing, judging and knowing...for social relations to be organized into reasonably persistent, reliable and peaceful institutions, at some point there must be a shared sense of normativity, a shared basis on which to distinguish between people and between things and make evaluations of their relative worth.” in William Davies, *The limits of neoliberalism*: ... cit.

<sup>22</sup> William Davies, *The limits of neoliberalism*: ... cit.

<sup>23</sup> *Ibidem*.

the tendency to see the state as constrained by an inevitable marketization of politics by stressing how competition is discursively constructed in order to centralize state control over the society. These last two approaches give a different reading to the use of QA criteria, one which highlights how discourses can establish power relationships, yet their focus is excessively centered on the ways in which powerful agents use discourse, and inevitably their conclusion suggests that “powerful agents will formulate powerful discourses.”<sup>24</sup> Though overcoming the Political Economy approaches’ dichotomic frame of analysis, this paper argues that the above-mentioned approaches portray, in a different manner, a structuralist study of the emergence of QA criteria by focusing excessively on a voluntaristic form of emergence. Similarly, to the functionalist reading of the PE approach, this literature sees QA criteria as strictly instrumental to the development of neoliberal policy, placing the historical specificity of these instruments of governance at a secondary level of analysis. This is due to the fact that these authors identify social change, such as the quality criteria used for NPM policy, only in cases where they witness a change in state rationality, as if social change depended uniquely on changing logics within dominant structures rather than on the social interaction and relationships within society and the diversity of these aspects within different institutional contexts.

In other words, though recognizing that “the market” or “competition” are socially constructed, authors neglect the diversity of ways in which the discourse on competition can be perceived by a multiplicity of agents. The ability of states to discipline society rests on individuals’ reproduction of the new forms of governance at a discursive level, making institutional actors mere recipients of policy and subjects of reproduction. In this way, power is seen as deriving from the structural layout of society and appears to be already comprehensible before looking at concrete practices of other agents.<sup>25</sup> As a result, “institutional and discursive diversity is treated as a minor detail which is analytically insignificant.”<sup>26</sup> Thus, although criteria are considered central to governance, historical studies on the institutional context from which QA criteria have emerged remain marginal in the abovementioned literatures.

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<sup>24</sup> See Samuel Knafo, “Critical approaches and the legacy of the agent/structure debate in international relations”, *Cambridge Review of International Affairs*, vol. 23, no. 3, 2010, pp. 493-516 for a discussion on an agential conception of power.

<sup>25</sup> Samuel Knafo, “Critical approaches and the problem of social construction: reassessing the legacy of the agent/structure debate in IR”, 2008, available online at <http://sro.sussex.ac.uk/12534/> (Accessed 4 December 2018).

<sup>26</sup> Andrea Lagna, *Deriving a normal country: Italian capitalism and the political economy of financial derivatives*, Diss, University of Sussex, 2013.

## Towards an Agency-Centred Approach

These a-historical studies on the emergence of managerial practices tend to underestimate the difficulty that state actors have in turning policy into practice, and parallel to this, obscure the ability of non-state agents to make a pragmatic use of state discourse.<sup>27</sup> This leads to neglect the ability of non-state agents to rearticulate policy in their own terms. In line with an agency-centred approach, this paper wishes to stimulate a critical reading of social change which can problematize the ways in which agents create their own social conditions within existing structures as often this creates innovations that are difficult to explain in structural terms. This means problematizing how practices are the result of a variety of attempts of a multiple agents to remould their social context.<sup>28</sup> Critical theory has done much to uncover ways in which structures condition people to act in given ways, yet often this has been reified into a conception of agency as limited to a reaction to structures (also discursive ones). In some cases, this has led scholars to identify “institutional” reactions to policies using behavioural shortcuts to explain agency.<sup>29</sup> This paper argues that the significance of discourses is only partially understood when it is conceptualised in structural terms, because authors fail to problematize how social actors relate the discourse to their own social context, and in so doing transform the dominant discourse by reinterpreting it. Conceptualising legitimation in performative terms<sup>30</sup> becomes problematic for understanding how new social practices can emerge from contextual power relationships:

“the contraction of the elbow room available to some always finds its counterpart in others enhanced capacity to shape and manipulate the dynamics of social life.”<sup>31</sup>

The implication of these theoretical approaches is that the specificity of the emergence of managerial instruments is studied in its normative elements but rarely in historical or social terms, because the state’s discursive capacity is considered a sufficient element to understand social change in the university sector. This does not allow to understand in what ways QA criteria in the

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<sup>27</sup> Samuel Knafo, “Critical approaches and the problem of social construction: ...” cit.; Martijn Konings, “The pragmatic sources of modern power”, *European Journal of Sociology/Archives européennes de sociologie*, vol. 51, no. 1, 2010, pp. 55-91.

<sup>28</sup> Samuel Knafo, “Critical approaches and the legacy of the agent/structure debate in international relations”, *Cambridge Review of International Affairs*, vol. 23, no. 3, 2010, pp. 493-516.

<sup>29</sup> Martijn Konings, “The pragmatic ...” cit.

<sup>30</sup> Michael Power, *The audit society: Rituals of verification*, Oxford, Oxford University Press, 1997; William Davies, *The limits of neoliberalism: Authority, sovereignty and the logic of competition*, London, Sage, 2016.

<sup>31</sup> Samuel Knafo as cited in Martijn Konings, “The pragmatic ...” cit.

university sector reflect, by large, also a transformation of power relationships for university agents involved in the process of social change.

Having demonstrated how the literature conceives managerial practices as instrumental to the change of the structural power of the neoliberal state, or of neoliberalism more generally, this article will now present a brief history of the genesis of the QA criteria in the British university sector. By studying the social context of the British university sector in the 1980s, the aim is to bring an account of the transformative actions of university agents and show how attempts to “relate to changing social reality in order to modify it”<sup>32</sup> brought about social innovations that may be considered the first steps towards the development of performance-based funding.

### The British University Sector in the 1980s

The changes to British university governance towards a mass education system can historically be situated following the explosion in student numbers in the 1960s.<sup>33</sup> According to some, the need to determine new ways for funding this rapidly expanding sector was a crucial feature which pushed the government to ensure that funds went to the most demanded universities, drafting initial quality requirements. In this sense, some have suggested that the shift to mass education initiated the debate on quality of teaching and research. Still, government funding strategy remained unconditional throughout the 1980s.<sup>34</sup> The University Grants committee (the committee responsible for distributing financial allocations determined by the government, UGC from now on) fund allocation system was based on student numbers per university, and whereas governments were attempting to formulate ways with which to face the increasing costs of the university sector, there is little evidence to suggest that policy was based on performance criteria. The auditing mechanism in Britain was instead fragmented, with multiple bodies exerting this function, and no sector-wide quality assessment body. In fact, as of 1984 performance indicators were barely developed as part of funding allocations<sup>35</sup>: “there are few

<sup>32</sup> See Samuel Knafo, “Critical approaches and the problem of social construction: ... cit., p. 22.

<sup>33</sup> Michael Shattock, *The UGC and the Management of British Universities*, Bristol, Society for Research into Higher Education and Open University Press, 1994.

<sup>34</sup> Martin Cave, Stephen Hanney, Mary Henkel, Maurice Kogan, *The use of Performance Indicators: The Challenge of the Quality movement*, 1<sup>st</sup> Edition, London, Jessica Kingsley Publishers, 1997.

<sup>35</sup> The analysis of the use of PIs for designing funding policy is complex, primarily because it is essential to maintain the different trajectories of PIs designed for assessing teaching and research respectively. The selective funding of these two activities, indeed, did not develop as part of a single new policy, but rather each trajectory is specific to a variety of attempts to introduce selectivity in university funding policy which deserve to be studied

indicators of teaching and performance that would enable a systematic external assessment of teaching quality to be made.”<sup>36</sup>

### *The Jarratt Report*

It was in the same year that the Committee of Vice Chancellors and Principals (CVCP from now on) united and discussed the changing mission and the role of the university at the time. The Jarratt report initiated a long period of research and work in the development of performance indicators, with the collaboration of multiple other bodies.<sup>37</sup> Whilst much literatures have read this report as the demonstration of a subjugation of Vice Chancellors (VC) to an economic rationality imposed by the state,<sup>38</sup> I argue that this report instead should be read as an attempt to rearticulate government policy at the time. The report is significant in multiple aspects. Firstly, it presents a changing role of vice chancellors as CEOs, who take on the lead in managing the university resources. Secondly, it proposes the design of Performance Indicators (PIs) as instruments of quantification that could facilitate decision-making within the university “seeing all resources as cash...has the advantage of encouraging considerations of all the options.”<sup>39</sup> The report suggested initiating work on the development of a series of input and outputting criteria for assessing the efficiency of universities, in joint collaboration with the UGC.

In a context of possibly diminishing public funds from the funding councils, university vice chancellors attempted to come to terms with this imperative by giving a new function to their institutional position. The imperative of possible financial constraints led VCs to come up with ways to demonstrate that their university deserved bigger allocation. The far-reaching social innovation of vice chancellors at the time was that of framing the success

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in detailed, agential terms. This is beyond the scope of this article, for a detailed study on the developments of criteria for teaching and research see chapters 3 and 4 in Martin Cave, Stephen Hanney, Mary Henkel, Maurice Kogan, *The use of Performance Indicators: ... cit.*

<sup>36</sup> University Grants Committee, Planning for the late 1980s, *The Resource allocation Process*, Circular Letter 22/85, London, UGC, 1985.

<sup>37</sup> The CVCP worked closely with the UGC-particularly between 1984-1988. These two bodies created a Joint working Group which experimented and designed a set of evaluation methodologies.

<sup>38</sup> David Palfreyman and Ted Tapper, *Reshaping the University: The Rise of the Regulated Market in Higher Education*, Oxford, Oxford University Press, 2014.

<sup>39</sup> Committee of Vice-Chancellors and Principals of the Universities of the United Kingdom. Steering Committee for Efficiency Studies in Universities, & Jarratt, S. A., *Report of the Steering Committee for Efficiency Studies in Universities, Committee of Vice-Chancellors and Principals*, 1985, paragraphs 3.32 and 3.32e.

of the university in new terms, namely, as dependent on a correct financial resource management, a framing which was not yet explicitly part of government policy beyond the general call of “value for money” in higher education. The CVCP’s suggestion of formulating these instruments and of relating them to internal decision-making can hardly be read as the reproduction of an economic logic or the subjugation to market pressures given that announced changes from the government were on funding with few conditional criteria. A final observation on the historical context of the British university sector in the mid-1980s serves to critically assess the role of vice chancellors.

### *The social innovations of the Committee of vice chancellors and principals*

British universities are considered the Higher Education institutions which have traditionally enjoyed more autonomy than other European universities.<sup>40</sup> The CVCP is a body which has traditionally represented the universities vis-a-vis government and funding councils. Born in 1918, it has a long history of attempts to bring forth university interests and is considered a key committee in shaping the elite system of Higher Education up until the 1980s when Higher Education Institutions assumed a mass purpose. As Dearlove has suggested, a striking feature of the Jarratt Report is also to be found in the CVCP’s suggestion that councils, rather than the traditional senate, be at the forefront of university governance. Whilst it can be erroneous to assume this as evidence of a class-project of the CVCP, the Jarratt report is undoubtedly a strikingly *political* document in which far-reaching changes to the university sector are presented.<sup>41</sup> To some extent, the legacy of this report may be evident, as some authors have suggested, in internal university politics after the Jarratt report. It is a manifestation of interests that can be generalized as means of exerting power over others by making use of the university structure in light of an unexpected imperative which may have threatened to diminish the power of Vice chancellors. The point here is precisely to demonstrate how the Jarratt report reflects the CVCP’s reading of their social

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<sup>40</sup> John Dearlove, “Fundamental changes in institutional governance structures: The United Kingdom”, *Higher Education Policy*, vol. 11, no. 2-3, 1998, pp.111-120.

<sup>41</sup> To some extent, the legacy of this report may be evident, as some authors have suggested, in internal university politics after the Jarratt report, whereby new internal governance of the university through accountability ethos has been implemented to strengthen top-down governance. For more, see Michael Shattock, *The UGC and the Management of British Universities*, Bristol, Society for Research into Higher Education and Open University Press, 1994; Maurice Kogan and Stephen Hanney, *Reforming higher education*, Higher Education Policy Series 50, London and Philadelphia, Jessica Kingsley Publishers, 2000.

context and the ways in which it attempted to confront it. This indicates just how much the history of QA has been shaped by a social struggle to enter the discourse of university funding.

### *The political leverage of performance indicators*

The joint collaboration of CVCP and UGC began to have practical repercussions when in 1985 the cuts in recurrent research grants (announced back in 1981) were communicated<sup>42</sup> together with an upcoming, first of its kind, Research Assessment Exercise (RAE). The latter was planned to be an assessment of universities' research in order to use research ratings and cost information to inform grant allocation and is the first example of selective funding in the university sector in Britain. To the entire university sector, it was clear that performance indicators were taking an increasingly central role in university governance. This sentiment grew at the wake of the 1988 Education Reform Act which created funding councils for universities and polytechnics. Even though the latter had historically been subject to different procedures of evaluation,<sup>43</sup> this was no longer considered an advantage in a context of new emerging founding councils. The proposed end to the notorious binary line - which had traditionally recognized separate institutional status between universities and polytechnics- augmented fears that polytechnics would be incorporated into universities and lost their status in the context of an emerging single and system wide funding council. It is in light of this imperative that polytechnic directors began to interrogate themselves on the ways in which they could have a say in the process of the design of performance indicators. An interesting case in the literature - which is excessively overlooked- points to the clash of visions that the CVCP and the Committee of Directors and Polytechnics (CDP from now on) had in mind for the newly emerging, sector wide funding council<sup>44</sup> and quality assurance organization.<sup>45</sup> CVCP members were concerned with research quality, whilst the CDP envisioned a council which could stress the importance of a high teaching quality. In other words, both groups were keen to have the new council place greater importance on the

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<sup>42</sup> University Grants Committee, Planning for the late 1980s, Circular Letter 12/85, London, UGC, 1985.

<sup>43</sup> Roger Brown, *Quality assurance in higher education: The UK experience since 1992*, London, Routledge, 2004.

<sup>44</sup> DES, White Paper *Higher Education: A new Framework*, London, HMSO, Cm 1541, 1991.

<sup>45</sup> Roger Brown, *Quality assurance in higher education: ... cit.*

academic activity that they were best at.<sup>46</sup> As Brown<sup>47</sup> has argued, the CDP was struggling to water down the assessment scheme because it feared that if the new funding council was composed of CVCP majority, this would have downgraded the Polytechnics' teaching efforts in favour of the Research universities. Both parties, though involved in the design of a new funding council, were struggling to advance their majority in the institutional membership of what would become the HEFCE.

### Conceptualising Competition in the British University Sector

This brief history of the contestation of the contents of quality criteria, which would later be used by HEFCE to begin the development of conditional funding<sup>48</sup> serves to problematize to what extent competition between university criteria can be said to emanate from the managerial instruments such as QA criteria. Readings of this sort tend to neglect the historical tension of different parties determined to influence the design of QA criteria, readily concluding instead that competition is an *inherent* characteristic of these instruments. As this paper has attempted to show, this is a retrospective reading which can distort the social context from which the criteria emerged, along with the ways in which the political struggles between the CDP and CVCP achieved victories - as well as losses - which continuously altered the definition of "quality". The genesis of quality criteria (and in particular their association to funding) however-when studied within its peculiar historical context-emerges as a grey area in which no party (vice chancellors, polytechnic directors, government funding councils, quality assessment bodies) has had a definite form of control. In future research, it would be interesting to analyse the development of QA criteria and conditional funding after the genesis of performance indicators, studying how the contestation over these developments has changed in different social contexts and through time, attempting to see which different groups are involved in this contestation and why. As Khurana's study<sup>49</sup> on US business schools suggests, the ability to control the parameters through which

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<sup>46</sup> "This will help the PCFC to champion the interests of the sector, particularly in the context of its annual negotiations with the secretary of state...over the future scale of public expenditure on higher education" see paragraph 1.3 in Morris Report, *Performance Indicators: Report of a Committee of Enquiry Chaired by Mr. Alfred Morris*, London: PCFC, 1990.

<sup>47</sup> Roger Brown, *Quality assurance in higher education: The UK experience since 1992*, London, Routledge, 2004.

<sup>48</sup> *Ibidem*.

<sup>49</sup> Rakesh Khurana, *From higher aims to hired hands: The social transformation of American business schools and the unfulfilled promise of management as a profession*, Princeton, Princeton University Press, 2010.



universities are assessed has always been a concern for universities, primarily because the control over the criteria through which an institution is assessed can allow it to circumvent competition or, in other terms, attempt to control it by defining quality in its own favour.<sup>50</sup> This implies that quality criteria should not be conceptualised in abstract terms, and that approaches which conceive power as being entrenched in structures tend to reify the political dimension of their genesis and development within the British university sector.

## Conclusions

This article has argued that the way in which social actors relate to their social context is a historical matter that cannot be abstracted precisely because it is concerned with the way in which agents adjust and innovate in order to relate to changing social contexts in the attempt to exert influence over others.<sup>51</sup> In light of this, arguments which posit that QA criteria represent the advent of an “economic logic” exerting pressure upon a “university logic” miss this point and limit the study -and consequently the significance- of social change within the university sector. As I have attempted to show, different scholarly approaches rarely consider the socio-historical dimension of the emergence of managerial instruments such as QA in the British university sector, for they are excessively focused on an analysis of the state as the mediator of global market pressures. This means that the connection between the emergence of the QA criteria in the university sector and NPM policies are understood as a product of a neoliberal rationality. This paper has problematized the emergence of QA criteria making a first step towards the problematization of this commonly used association. It has shown how crucial it is to consider the pragmatic use of discourses, given that the socially constructed fabric of society makes the control over discourse difficult if not impossible. Scholars’ assumption that states control the ways in which discourses or practices are contextually used and implemented leads to assume, to an extent, that the discourse on quality was hegemonic from its inception and was reproduced in society and in diverse institutions with specific histories and sets of internal power relationships. As has been shown, this argument is problematic when situated historically in the context of the British university sector, given the ways in which VCs gave new meanings to quality when they designed Performance Indicators, practically

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<sup>50</sup> It is worth considering how structuralist readings on managerial instruments in the university sector fail to include an analysis of how the university agents act in relation to QA criteria and changing benchmarks. Instead these accounts tend to stress the ways in which quality assessment *emanate* market-like competition in either discursive or practical terms, conceptualising these instruments as inherently competitive.

<sup>51</sup> Samuel Knafo, “Critical approaches and the problem of social construction: ...” cit.

attempting to reshape the notion of quality to suit their specific context. As I have attempted to argue in contrast to the Political Economy literature, QA criteria in the British universities can be argued to have historically become an instrument of governance also due to the fact that they were so deeply contested by different agents which attempted to appropriate them, rather than being market-like instruments which govern the public sectors due to an intrinsic ability to achieve efficiency through competition. This article has argued that failing to connect practices such as QA criteria to social agents can obscure the historical contingency of this new practice of governance, resorting to marketization as a “familiar” category of socio-political transformation in the university sector. It is in this sense that this article has argued for a different politicisation of the debate on how QA criteria have altered the governance of the university sector. According to this article, governance is conventionally readily considered as increasingly eroded by market dynamics or it is assumed to be a constant manifestation of power through the discursive practices of the state. The result is that these narrations present forms of governance as being fully comprehensible in the process of “marketization”, the umbrella term repeatedly used to account for the multiple and socio-historically contingent changes that have occurred in the university sector since the 1980s. The history presented has been key in advancing this argument by bringing to light a dynamic and changing definition of QA criteria. This article advocates that a study of social struggles over the use and the design of QA criteria should not remain marginal in future research on the changing governance in the British university sector. The risk would be that of depoliticising a great deal of social innovations in governance which were witnessed in the 1980s but may have initially developed even earlier. The historical development of managerial practices such as QA criteria can thus be more accurately studied if detached from the assumption that they represent the expression of other forms of governance -such as neoliberalism- at work. This is a task which calls for a comprehensive and historically-specific study on the relationship between managerial practices and new forms of governing the university sector, starting from a rejection of structuralist readings of social change.